

PUBLIC EMPLOYEES RETIREMENT SYSTEM

State Investment Board Balance Sheet As of 11/30/2008

	As of <u>11-30-08</u>	As of <u>6-30-08</u>
ASSETS:		
INVESTMENTS (AT MARKET)		
DOMESTIC EQUITIES	\$ 438,301,239	\$ 682,056,359
INTERNATIONAL EQUITIES	153,692,109	252,078,034
DOMESTIC FIXED INCOME	473,606,094	554,026,769
INTERNATIONAL FIXED INCOME	80,218,171	90,076,982
REAL ESTATE	113,438,465	121,924,794
ALTERNATIVE INVESTMENTS	94,538,000	99,234,751
INVESTED CASH (NOTE 1)	<u>10,162,716</u>	<u>9,799,104</u>
TOTAL INVESTMENTS	1,363,956,794	1,809,196,793
RECEIVABLES		
DIVIDEND/INTEREST RECEIVABLE	2,919,025	3,833,437
MISCELLANEOUS RECEIVABLE	<u>1,373</u>	<u>2,765</u>
TOTAL RECEIVABLES	2,920,398	3,836,202
OTHER ASSETS		
INVESTED SECURITIES LENDING COLLATERAL (NOTE 2)	17,453,030	29,156,196
OPERATING CASH	<u>47,866</u>	<u>31,831</u>
TOTAL ASSETS	<u><u>\$ 1,384,378,088</u></u>	<u><u>\$ 1,842,221,022</u></u>
LIABILITIES:		
SECURITIES LENDING COLLATERAL (NOTE 2)	17,453,030	29,156,196
ACCOUNTS PAYABLE	4,448	12,210
ACCRUED EXPENSES	21,448	19,647
INVESTMENT EXPENSE PAYABLE	<u>2,276,912</u>	<u>2,276,912</u>
TOTAL LIABILITIES	19,755,838	31,464,965
NET ASSETS AVAILABLE:		
NET ASSETS AVAILABLE BEGIN OF YEAR	1,810,756,057	1,934,234,168
CASH IN DURING YEAR (NOTE 3)	0	3,208,999
CASH OUT DURING YEAR (NOTE 4)	10,350,000	26,165,000
NET INCREASE (DECREASE)	<u>(435,783,807)</u>	<u>(100,522,110)</u>
NET ASSETS AVAILABLE END OF PERIOD	<u>1,364,622,250</u>	<u>1,810,756,057</u>
TOTAL LIABILITIES & NET ASSETS AVAILABLE	<u><u>\$ 1,384,378,088</u></u>	<u><u>\$ 1,842,221,022</u></u>

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State Investment Board Profit and Loss Statement For the Month Ended 11/30/2008

	Month Ended <u>11-30-08</u>	<u>Year-to-Date</u>
ADDITIONS:		
INVESTMENT INCOME		
INTEREST/DIVIDEND INCOME	\$ 2,505,761	\$ 14,056,319
SECURITIES LENDING INCOME	<u>34,022</u>	<u>259,104</u>
	2,539,783	14,315,423
 GAIN ON SALE OF INVESTMENTS	 99,989,959	 176,929,696
LOSS ON SALE OF INVESTMENTS	<u>152,777,126</u>	<u>273,993,768</u>
 NET GAINS (LOSSES) INVESTMENTS	 (52,787,167)	 (97,064,072)
 INVESTMENT EXPENSES	 956,260	 3,489,946
SECURITIES LENDING EXPENSES	<u>11,091</u>	<u>173,424</u>
 NET INVESTMENT INCOME	 (51,214,735)	 (86,412,019)
 NET APPREC (DEPREC) MARKET VALUE	 (26,306,571)	 (349,881,630)
MISCELLANEOUS INCOME/(EXPENSE)	<u>89,241</u>	<u>593,053</u>
 TOTAL INVESTMENT INCOME	 <u>(77,432,065)</u>	 <u>(435,700,596)</u>
 DEDUCTIONS:		
ADMINISTRATIVE EXPENSES	15,484	83,211
 NET INCREASE (DECREASE)	 <u>\$ (77,447,549)</u>	 <u>\$ (435,783,807)</u>

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Notes To Financial Statements
November 30, 2008

The following notes to financial statements are intended to provide general descriptions of line items in the financial statements.

NOTE 1 **INVESTED CASH**

Cash invested in a money market demand account at the Bank of North Dakota.

NOTE 2 **SECURITIES LENDING COLLATERAL**

Securities are loaned versus collateral that may include cash, U.S. government securities and irrevocable letters of credit. U.S. securities are loaned versus collateral valued at 102% of the market value of the securities plus any interest. Non-U.S. securities are loaned versus collateral valued at 105% of the market value of the securities plus any accrued interest. Non-cash collateral cannot be pledged or sold unless the borrower defaults. Cash open collateral is invested in a short term investment pool.

NOTE 3 **CASH IN DURING YEAR**

Cash transferred into investment accounts at The Northern Trust during the current fiscal year.

NOTE 4 **CASH OUT DURING YEAR**

Cash transferred out of investment accounts at The Northern Trust during the current fiscal year.